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11

12 UNITED STATES DISTRICT COURT  
13 CENTRAL DISTRICT OF CALIFORNIA

14 MAINE STATE RETIREMENT  
15 SYSTEM, Individually and On Behalf  
16 of All Others Similarly Situated,

17 Plaintiffs,

18 vs.

19 COUNTRYWIDE FINANCIAL  
20 CORPORATION, a Delaware  
corporation; COUNTRYWIDE HOME  
21 LOANS, INC.; CWALT, INC., a  
Delaware corporation; CWMBS, INC., a  
22 Delaware corporation; CWABS, INC., a  
Delaware corporation; CWHEQ, INC., a  
23 Delaware corporation; COUNTRYWIDE  
24 CAPITAL MARKETS;  
COUNTRYWIDE SECURITIES  
25 CORPORATION; J.P. MORGAN  
26 SECURITIES INC.;

27 [CAPTION CONTINUED ON NEXT  
28 PAGE]

No. 2:10-CV-00302-MRP (MANx)

NOTICE OF MOTION AND  
MEMORANDUM OF LAW IN  
SUPPORT OF APPOINTMENT OF  
LEAD PLAINTIFF AND APPROVAL  
OF SELECTION OF LEAD  
COUNSEL

NOTICE OF MOT. AND MEMO. OF LAW ISO APPT. OF LEAD PLAINTIFF AND APPROVAL OF  
SELECTION OF LEAD COUNSEL

No. 2:10-CV-00302-MRP (MANx)

1 DEUTSCHE BANK SECURITIES  
2 INC.; BEAR, STEARNS & CO. INC.;  
3 BANC OF AMERICA SECURITIES  
4 LLC; UBS SECURITIES, LLC;  
5 MORGAN STANLEY & CO.  
6 INCORPORATED; EDWARD D.  
7 JONES & CO., L.P.; CITIGROUP  
8 GLOBAL MARKETS INC.;  
9 GOLDMAN, SACHS & CO.; CREDIT  
10 SUISSE SECURITIES (USA) LLC;  
11 GREENWICH CAPITAL MARKETS,  
12 INC. A.K.A. RBS GREENWICH  
13 CAPITAL; BARCLAYS CAPITAL  
14 INC.; HSBC SECURITIES (USA); BNP  
15 PARIBAS SECURITIES CORP.;  
16 MERRILL LYNCH, PIERCE, FENNER  
17 & SMITH, INCORPORATED;  
18 STANFORD L. KURLAND; DAVID A.  
19 SPECTOR; ERIC P. SIERACKI; N.  
20 JOSHUA ADLER; RANJIT  
21 KRIPALANI; JENNIFER S.  
22 SANDEFUR; DAVID A. SAMBOL,

Defendants.

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28 NOTICE OF MOT. AND MEMO. OF LAW ISO APPT. OF LEAD PLAINTIFF AND APPROVAL OF  
SELECTION OF LEAD COUNSEL

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1 TO: ALL PARTIES AND THEIR RESPECTIVE COUNSEL OF RECORD  
2 PLEASE TAKE NOTICE that class member Putnam Bank (“Putnam”) will  
3 hereby move this Court, on a date and such time as may be designated by the Court,  
4 for an order (1) appointing Putnam as lead plaintiff in the above-captioned action  
5 pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”), 15  
6 U.S.C. §77z-1, *et seq.*; and (2) approving Putnam’s selections of Scott+Scott LLP  
7 (“Scott+Scott”) as lead counsel for the Class.  
8  
9

10 This motion is made on the grounds that Putnam timely filed this motion and is  
11 the most adequate lead plaintiff. Putnam has a requisite financial interest in the relief  
12 sought by the Class, and meets the requirements of Rule 23 of the Federal Rules of  
13 Civil Procedure, because Putnam’s claims are typical of the claims of the Class and it  
14 will fairly and adequately represent the interests of the Class. In addition, Putnam has  
15 selected and retained Scott+Scott, a law firm with substantial experience in  
16 prosecuting securities class actions, to serve as lead counsel.  
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19 This motion is based on this notice of motion and memorandum of law, the  
20 Declaration of Arthur L. Shingler III (“Shingler Decl.”) in support thereof, the  
21 pleadings and other files and records in this Action and such other written or oral  
22 argument as may be presented to the Court.  
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28 NOTICE OF MOT. AND MEMO. OF LAW ISO APPT. OF LEAD PLAINTIFF AND APPROVAL OF  
SELECTION OF LEAD COUNSEL

## I. INTRODUCTION

Putnam respectfully submits this memorandum in support of its motion (1) to be appointed Lead Plaintiff pursuant to Section 27(a)(3)(B) of the Securities Act of 1933 (the “Securities Act”), 15 U.S.C. §77z-1(a)(3)(B), as amended by the PSLRA and (2) for approval of its selection of the law firm of Scott+Scott as Lead Counsel for the Class.

Pursuant to the PSLRA, as soon as practicable after a decision on consolidation has been rendered (in circumstances where multiple, related class actions were filed and consolidation is necessary), the Court is to appoint as lead plaintiff, from among those seeking such appointment and who otherwise satisfy the requirements of Rule 23 of the Federal Rules of Civil Procedure, the movant or group of movants with the largest financial interest in the litigation. *See* 15 U.S.C. §77z-1(a)(3)(B).

The present matter is a class action brought on behalf of the purchasers of certain mortgage-backed securities sponsored by affiliates of Countrywide Financial Corporation and its wholly-owned subsidiary Countrywide Home Loans, Inc. (collectively, “Countrywide”),<sup>1</sup> alleging violations of the federal securities laws. The

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<sup>1</sup> While this action has been related to *In re Countrywide Fin. Corp. Sec. Litig.*, No. 07 Civ. 5295-MRP (MANx) (C.D. Cal.) and various other actions brought on behalf of investors in, and debtholders of, Countrywide, this action only addresses claims arising from purchases of Countrywide mortgage-backed securities. It is Putnam’s position that the action should not be consolidated with the other actions as this action on behalf of mortgage-backed securities purchasers raises unique legal issues and factual contentions relevant only to this action.

PSLRA establishes a three-step procedure for the selection of lead plaintiffs to oversee class actions brought under the federal securities laws. *In re Cavanaugh*, 306 F.3d 726, 729-30 (9th Cir. 2002)<sup>2</sup>. First, §27(a)(3)(A)(i) provides that within 20 days after the date on which a securities class action is filed, the initial plaintiff is required to publish a notice advising potential plaintiff class members of the pendency of the action, the claims, the purported class period, and that any member of the class may file a motion with the Court to serve as lead plaintiff no later than 60 days from the publication of that original notice. 15 U.S.C. §77z-1(a)(3)(A)(i). Notice in this action was first published on February 1, 2010. *See* Shingler Decl., Ex. A.

Second, §27(a)(3)(B)(i) directs this Court to consider any motions brought by class members seeking to be appointed as lead plaintiffs as soon as practicable after the Court decides any pending motion to consolidate, but no later than 90 days after publication of the notice. Under this provision of the Securities Act, the Court “shall” appoint the “most adequate plaintiff” to serve as lead plaintiff for the Class. The

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<sup>2</sup> In *Cavanaugh*, the Ninth Circuit Court of Appeals granted *mandamus* review of a lead plaintiff appointment pursuant to the Securities Exchange Act of 1934 (the “Exchange Act”), 306 F.3d at 727. The appointment procedure described by the Circuit Court in *Cavanaugh* is equally applicable here, as the lead plaintiff provisions of the Securities Act and the Exchange Act are interchangeable. *Linn v. Allied Irish Banks, PLC*, No. 02 Civ. 1738, 2004 WL 2813133, at \*3 n.2 (S.D.N.Y. Dec. 8, 2004) (noting that “the lead-plaintiff provisions of the 1933 and 1934 acts are identical”) (quoting *Lax v. First Merchants Acceptance Corp.*, No. 97 C 2715, 1997 WL 461036, at \*2 n. 2 (N.D. Ill. Aug. 11, 1997)).



Securities Act provides that the Court shall presume to be the lead plaintiff the person (or group of persons) who: (1) has either filed a complaint or moved for lead plaintiff in response to a notice; (2) “has the largest financial interest in the relief sought;” and (3) satisfies the typicality and adequacy requirements of Federal Rule of Civil Procedure 23. 15 U.S.C. §77z-1(a)(3)(B)(iii)(I). Finally, after the presumptive lead plaintiff has been identified, other class members have “an opportunity to rebut the presumptive lead plaintiff’s showing that it satisfies Rule 23’s typicality and adequacy requirements.” *Cavanaugh*, 306 F. 3d at 730.

For the reasons set forth below, Putnam is “the most adequate plaintiff” under the PSLRA to serve as lead plaintiff, as it has the requisite financial interest in the relief sought by this action by virtue of, among other things, its expenditure of \$42,474,381 purchasing 425,659 units of Countrywide mortgage-backed securities issued between 2005 and 2007 (the “Certificates”).<sup>3</sup> See Shingler Decl., Ex. B. Putnam further satisfies the relevant requirements of Rule 23 as an adequate class representative with claims typical of the other purchasers of Countrywide Certificates. Additionally, Putnam’s selection of Scott+Scott as lead counsel should be approved

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<sup>3</sup> The Complaint alleges claims on behalf of investors who purchased or otherwise acquired the following Certificates: Alternative Loan Trust Certificates issued by CWALT, Inc. (“CWALT”); CWABS Asset-Backed Trust Certificates issued by CWABS, Inc. (“CWABS”); CHL Mortgage Pass-Through Trust Certificates issued between 2005 and 2006 by CWMBBS, Inc. (“CWMBBS”); and CWHEQ Revolving Home Equity Loan Trusts and Home Equity Loan Trusts issued by CWHEQ, Inc. (“CWHEQ”).

1 because Putnam, as the presumptive lead plaintiff, selects counsel. Scott+Scott has  
2 extensive experience in the prosecution of securities class actions and will adequately  
3 represent the interests of all Class members as lead counsel. *See* Shingler Decl., Ex.  
4  
5 C.

## 6 **II. PRELIMINARY STATEMENT**

7  
8 The above-captioned action (the “Action”) brought on behalf of a Class of  
9 purchasers of the Certificates that were issued pursuant and/or traceable to the  
10 following Registration Statements filed with the Securities and Exchange  
11 Commission: (“SEC”): 333-100418 (October 28, 2002), 333-110343 (January 13,  
12 2004), 333-117949 (September 23, 2004), 333-118926 (October 18, 2004), 333-  
13 121249 (February 8, 2005), 333-121378 (December 17, 2004), 333-123167 (April 21,  
14 2005), 333-125164 (June 10, 2005), 333-125902 (July 25, 2005), 333-125963 (July  
15 25, 2005), 333-126790 (August 4, 2005), 333-131591 (February 21, 2006), 333-  
16 131662 (March 6, 2006), 333-131630 (March 6, 2006), 333-132375 (April 12, 2006),  
17 333-135846 (August 8, 2006), 333-140958 (April 24, 2007), 333-140960 (April 24,  
18 2007), 333-140962 (April 24, 2007), 333-139891 (May 22, 2007) (the “Registration  
19 Statements”) in a series of 431 offerings between January 2005 and August 2007 (the  
20 “Offerings”), alleging violations of Sections 11, 12(a)(2) and 15 of the Securities Act,  
21 15 U.S.C. §§77k, 77l(a)(2)(j)(b) and 77o. Putnam hereby moves this Court for an  
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1 order appointing Putnam as lead plaintiff for the Action and approving Putnam's  
2 selection of counsel.

### 3 4 **III. FACTUAL BACKGROUND**

5 Countrywide was once the United States' largest residential mortgage lender.  
6 Countrywide originated in excess of \$850 billion in home loans during 2005 and 2006  
7 alone. As alleged in the Action, Countrywide securitized many of these mortgage  
8 loans – *i.e.*, pooled and repackaged the loans into salable securities – through its  
9 wholly owned subsidiaries, CWALT, Inc. ("CWALT"); CWABS, Inc. ("CWABS");  
10 CWMBBS, Inc. ("CWMBBS"); and CWHEQ, Inc. ("CWHEQ"). CWALT, CWABS,  
11 CWMBBS and CWHEQ formed special-purpose entities, referred to as "Issuing  
12 Trusts," in which Countrywide deposited billions of dollars of loans for securitization.  
13 The Issuing Trusts and the underwriter then sold the securitized mortgages to  
14 investors in the form of Certificates.<sup>4</sup>

15  
16 Based on representations by Countrywide concerning, among other things, the  
17 purported quality of the underlying mortgages pooled in the Issuing Trusts, the rating

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20  
21 <sup>4</sup> The named underwriters include Countrywide Financial Corporation, Countrywide  
22 Capital Markets, Countrywide Securities Corporation, J.P. Morgan Securities Inc.,  
23 Deutsche Bank Securities Inc., Bear, Stearns & Co. Inc., Banc of America Securities  
24 LLC, UBS Securities, LLC, Morgan Stanley & Co. Incorporated, Edward D. Jones &  
25 Co., L.P., Citigroup Global Markets Inc., Goldman, Sachs & Co., Credit Suisse  
26 Securities (USA) LLC, Greenwich Capital Markets, Inc. a.k.a. RBS Greenwich  
27 Capital, Barclays Capital Inc., HSBC Securities (USA), BNP Paribas Securities Corp.,  
28 Merrill Lynch, Pierce, Fenner & Smith, Inc.

1 agencies, Moody's Investors Service, Inc., Fitch, Inc. and/or Standard & Poor's  
2 Corporation assigned investment grade ratings to all tranches of the Certificates. The  
3 investment grade ratings were important to investors, such as Putnam, which  
4 purchased the Certificates based upon three primary factors: (i) steady return, in the  
5 form of interest payments; (ii) the timing of principal and interest payments; and (iii)  
6 the safety of the investment – *i.e.*, the low risk of default of the underlying mortgage  
7 assets. The Action alleges that, contrary to what investors in these mortgage-backed  
8 securities were told, the billions of dollars of Certificates that Countrywide and its  
9 subsidiaries issued in the Offerings were backed by mortgages that were recklessly  
10 underwritten, and, as such, are at high risk of default.  
11

12         The Complaint charges that the Registration Statements and Prospectus  
13 Supplements used in the Offerings of the Certificates contained material  
14 misstatements and omissions concerning the mortgages underlying the Certificates.  
15 Among other things, the Registration Statements omitted that Countrywide was  
16 issuing many risky, non-traditional mortgage loans, such as Option ARM loans, to  
17 borrowers who: (i) did not meet the prudent debt-to-income ratio purportedly required  
18 by Countrywide; (ii) did not provide adequate documentation to support the income  
19 and assets required to issue the loans pursuant to Countrywide's own guidelines; and  
20 (iii) did not have the income or assets necessary to afford the required mortgage loan  
21 payments – each of which resulted in loans that borrowers could not afford to pay.  
22

1 As a result, the Registration Statements vastly understated the risk profile of the  
2 Certificates. By mid-2007, the previously concealed truth about the actual risk profile  
3 of the mortgage loans securing the Certificates began to be revealed to the public, as  
4 defaults on the underlying loans began to spike. The deteriorating performance of the  
5 underlying loans could have been anticipated by investors had the underwriting  
6 standards used in their origination been disclosed. In time, the credit rating agencies  
7 began to place negative watch warnings on certain Certificate tranches, ultimately  
8 downgrading many, and market interest in the Certificates evaporated. As a result, the  
9 Certificates are no longer marketable at prices anywhere near the price paid for them  
10 and the holders of the Certificates are exposed to much greater risk with respect to the  
11 timing of, and absolute cash flow to be received, than the Registration Statements  
12 represented.

#### 17 IV. ARGUMENT

##### 18 A. Putnam Should Be Appointed as Lead Plaintiff

##### 19 1. Putnam's Motion Is Timely

20 On February 1, 2010, a notice of pendency of the action was published via  
21 *Business Wire*, a nationally circulated, business-oriented publication providing the  
22 requisite notice as required by the Securities Act. Shingler Decl., Ex. A. Class  
23 members who file complaints or move pursuant to §27 (a)(3)(B) of the Securities Act  
24 are eligible to be appointed as lead plaintiffs, so long as their motion is timely. 15

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1 U.S.C. §77z-1(a)(3)(B)(i). In the present matter, Putnam's motion is timely filed  
2 within 60 days from the publication of that notice and, as such, is timely.

3  
4 **2. Putnam Possesses the Requisite Financial Stake in the**  
5 **Relief Sought by the Class**

6 The PSLRA provides that courts:

7 [S]hall appoint as lead plaintiff the member or members of the purported  
8 plaintiff class that the court determines to be most capable of adequately  
9 representing the interests of class members (hereafter in this paragraph  
referred to as the "most adequate plaintiff") in accordance with this  
subparagraph.

10 15 U.S.C. §77z-1(a)(3)(B)(i). The Securities Act requires this Court to adopt a  
11 rebuttable presumption that the most adequate plaintiff in any private action arising  
12 under this title is the person or group of persons that have "the largest financial  
13 interest in the relief sought by the class." 15 U.S.C. §77z-1(a)(3)(B)(iii)(I)(bb).  
14 Congress reasoned that increasing the role of larger investors, which typically have a  
15 larger financial stake in the outcome of the litigation, would be beneficial because  
16 investors with a large financial stake are more apt to effectively manage complex  
17 securities litigation. See Conference Report on the Private Securities Litigation  
18 Reform Act of 1995, H.R.Rep.No. 104-369, at 34 (1995) ("[C]lass members with  
19 large amounts at stake will represent the interests of the plaintiff class more  
20 effectively than class members with small amounts at stake."). Thus, Putnam, which  
21 acquired more than 425,659 units of the Certificates pursuant and/or traceable to the  
22 Registration Statements, expending more than \$42,474,381 is exactly the type of lead  
23 plaintiff envisioned by Congress and should be appointed here.

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**3. Putnam Is Otherwise Qualified Under Rule 23**

Section 27(a)(3)(B)(iii)(I)(cc) of the Securities Act provides that, at the outset of the litigation, lead plaintiffs must also “otherwise satisfy[y] the requirements of Rule 23 of the Federal Rules of Civil Procedure.” 15 U.S.C. §77z-1(1)(3)(B)(iii)(I)(cc). With respect to the qualifications of the class representative, Rule 23(a) requires generally that the plaintiff’s claims be typical of the claims of the class and that the representative fairly and adequately protect the interests of the class. As detailed below, Putnam satisfies the typicality and adequacy requirements of Rule 23(a) and is qualified to be appointed as lead plaintiff here.

The typicality requirement of Rule 23(a)(3) is satisfied when the representative plaintiffs have (1) suffered the same injuries as the absent class members, (2) as a result of the same course of conduct by defendants, and (3) their claims are based on the same legal issues. *Hanon v. Dataproducts Corp.*, 976 F. 2d 497, 508 (9th Cir. 1992); *General Retirement Sys. of City of Detroit v. Wells Fargo Mortg. Backed Securities 2006-AR18 Trust*, No. 09 Civ.1376, 2009 WL 2137094, at \*8 (N.D. Cal. July 16, 2009). In the Ninth Circuit, Rule 23(a)(3) is interpreted permissively and “representative claims are ‘typical’ if they are reasonably coextensive with those of absent class members; they need not be substantially identical.” *Dukes v. Wal-Mart, Inc.*, 509 F.3d 1168, 1184 (9th Cir. 2007) (quoting *Hanlon v. Chrysler Corp.*, 150

1 F.3d 1011, 1020 (9th Cir. 1997)); *In re Leapfrog Enterprises, Inc. Sec. Litig.*, No. 03  
2 Civ. 5421, 2005 WL 3801587, at \*3 (N.D.Cal. Nov. 23, 2005).

3  
4 Here, the questions of law and fact common to the members of the Class that  
5 predominate over questions that may affect individual Class members include the  
6 following:

- 7  
8 (i) whether the Securities Act was violated by defendants;  
9 (ii) whether the Registration Statements and Prospectus Supplements  
10 contained false statements and/or omissions;  
11 (iii) whether defendants were reckless in issuing the Registration  
12 Statements and Prospectus Supplements; and  
13 (iv) whether the members of the Class have sustained damages and, if  
14 so, what is the proper measure of damages.  
15  
16

17 As a result, there is a well-defined community of interest in the questions of law  
18 and fact involved in this case. The claims asserted by Putnam, which acquired  
19 Certificates pursuant and/or traceable to defective Registration Statements, are typical  
20 of the claims of the members of the proposed class. Because the claims asserted by  
21 Putnam are based on the same legal theories and arise ““from the same event or  
22 practice or course of conduct that gives rise to the claims of other class members,””  
23 typicality is satisfied. *Ferrari v. Gisch*, 225 F.R.D. 599, 606-07 (C.D.Cal. 2004)  
24 (citation omitted).  
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1 The adequacy of representation requirement of Rule 23(a)(4) is satisfied where  
2 it is established that a representative party, “will fairly and adequately protect the  
3 interests of the class.” Fed. R. Civ. P. 23(a)(4); *Hanlon*, 150 F.3d at 1020. In order to  
4 satisfy this requirement, a prospective lead plaintiff must show that he, she, or it does  
5 not have any conflicts of interest with other class members and that the plaintiff and  
6 counsel will vigorously prosecute the case. *Hodges v. Akeena Solar, Inc.*, 263 F.R.D.  
7 528, 533 (N.D. Cal. 2009). In the context of a motion to appoint lead plaintiff in a  
8 securities class action, the key inquiry is not whether another movant might do a better  
9 job of protecting the interests of the class than the presumptive lead plaintiff; instead,  
10 the question is whether anyone can prove that the presumptive lead plaintiff will not  
11 do a fair and adequate job. *Cavanaugh*, 306 F.3d at 732.

12  
13 Here, Putnam is motivated to and will more than adequately represent and  
14 protect the interests of the Class. First, Putnam’s interests are clearly aligned with the  
15 members of the proposed Class and there is no evidence of any antagonism between  
16 Putnam’s interests and the interests of the proposed Class members. Second, as  
17 detailed above, Putnam shares substantially similar questions of law and fact with the  
18 members of the proposed Class and its claims are typical of the members of the Class.  
19 Third, Putnam has amply demonstrated that it will adequately serve as class  
20 representative by signing a sworn certification affirming the willingness to serve as,  
21 and assume the responsibilities of, a class representative. *See Shingler Decl., Ex. B.*

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1 In addition to satisfying the requirements of Rule 23, Putnam – a federally  
2 chartered bank – is precisely the type of sophisticated institutional investor envisioned  
3 by Congress to serve as lead plaintiff in a class action for violation of the federal  
4 securities laws. See H.R. Conference Report on Securities Litigation Reform, S. Rep.  
5 No. 104-98, at 14 (1995), *reprinted in* U.S.C.C.A.N. 679, 690 (“an institutional  
6 investor acting as lead plaintiff can, consistent with its fiduciary obligations, balance  
7 the interests of the class with the long-term interests of the company and its public  
8 investors.”). *See id.*, at 34 (“[t]he Conference Committee believes that increasing the  
9 role of institutional investors in class actions will ultimately benefit shareholders and  
10 assist courts by improving the quality of representation in securities class actions”);  
11 see also *Vladimir v. Bioenvision, Inc.*, No. 07 Civ. 6416, 2007 WL 4526532, at \*3  
12 (S.D.N.Y. Dec. 21, 2007) (“Congress decided that the PSLRA’s objectives are best  
13 achieved when lead plaintiffs are institutional investors or others with large holdings  
14 at stake whose interests will be most strongly aligned with those of the class  
15 members.”) (citing cases). Putnam is an experienced fiduciary, adept at serving,  
16 promoting and protecting the interests of its constituencies.

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19  
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21  
22 **B. The Court Should Approve Putnam’s Choice of Counsel**

23 The PSLRA vests authority in the lead plaintiff to select and retain lead counsel,  
24 subject to this Court’s approval. *See* 15 U.S.C. §77z-1(a)(3)(B)(v); *Cavanaugh*, 306  
25 F.3d at 734-35. As such, this Court should not disturb the lead plaintiff’s choice of  
26  
27

1 counsel unless necessary to “protect the interests of the class.” 15 U.S.C. §77z-  
2 1(a)(3)(B)(iii)(II)(aa). Here, movant has selected the highly qualified law firm of  
3 Scott+Scott to represent the Class. *See* Shingler Decl., Ex. C. Scott+Scott has served  
4 as lead or co-lead counsel in many high-profile actions, directly recovering hundreds  
5 of millions of dollars for aggrieved investors and others harmed by corporate  
6 chicanery and greed.<sup>5</sup> For instance, commenting on the speed, legal acumen and  
7 tenacity Scott+Scott partners employed in obtaining a temporary restraining order  
8 enjoining the “off shore transfer of ... approximate[ly] \$1 billion in assets” held by  
9 Madoff “feeder funds,” one court recently held that:

10  
11  
12  
13  
14  
15 <sup>5</sup> Some other recoveries of note for Scott+Scott include, among others: settlement of  
16 \$80 million for a class of purchasers of Priceline stock in *In re Priceline.com Sec.*  
17 *Litig.*, No. 00-01844 (D. Conn.), a \$122 million settlement for purchasers of Mattel  
18 stock in *Thurber v. Mattel, Inc.*, No. 99-10368 (C.D. Cal.) Additional recent securities  
19 settlements obtained by Scott+Scott, acting as lead or co-lead counsel, include: *In re*  
20 *Emulex Corp. Sec. Litig.*, No. 01-00219 (C.D. Cal.) (settlement of \$39 million); *In re*  
21 *Sprint Sec. Litig.*, No. 00-230077 (Cir. Ct. Jackson County, Mo.) (settlement of \$50  
22 million); *In re Northwestern Corp. Sec. Litig.*, No. 03-04049 (D.S.D.) (settlement of  
23 \$61 million); *Irvine v. Imclone Systems, Inc.*, No. 02-00109 (S.D.N.Y.) (settlement of  
24 \$75 million); *Schnall v. Annuity and Life Re (Holdings) Ltd.*, No. 02-02133 (D. Conn.)  
25 (settlement of \$27 million); *In re Qwest Communications International, Inc.*, No. 02-  
26 08188 (Colorado District Court, City and County of Denver) (shareholder derivative  
27 settlement including significant corporate governance reforms and \$25 million for the  
company); and *In re Lattice Semiconductor Corp. Deriv. Litig.*, No. 043327 (Cir. Ct.  
Oregon) (significant monetary recovery and business reforms, including termination  
of the then-CEO, termination and adoption of significant changes to the company’s  
auditing, insider trading, executive compensation and other internal practices); among  
others.

28 NOTICE OF MOT. AND MEMO. OF LAW ISO APPT. OF LEAD PLAINTIFF AND APPROVAL OF  
SELECTION OF LEAD COUNSEL

No. 2:10-CV-00302-MRP (MANx)

1        ***It is this Court's position that Scott+Scott did a superlative job in its***  
2        ***representation . . . .For the record, it should be noted that Scott+Scott***  
3        ***has demonstrated a remarkable grasp and handling of the***  
4        ***extraordinarily complex matters in this case. The extremely***  
5        ***professional and thorough means by which [Scott+Scott] has litigated***  
6        ***this matter has not been overlooked by this Court. They have***  
7        ***possessed a knowledge of the issues presented and this knowledge has***  
8        ***always been used to the benefit of all investors.***

9        *New York University v. Ariel Fund Limited*, No. 603803/08, Opinion at 9-10 (New  
10        York State Supreme Court, New York County, Feb. 22, 2010). As demonstrated in  
11        the Firm's résumé, Scott+Scott possesses vast resources and expertise, and has  
12        committed these resources to use for the benefit of aggrieved investors like the  
13        putative Class here.

**V. CONCLUSION**

For all the foregoing reasons, Putnam respectfully requests that the Court:  
(i) appoint Putnam as lead plaintiff in the Action pursuant to §27D(a)(3)(B) of the Securities Act, as amended by the Private Securities Litigation Reform Act of 1995, 15 U.S.C. §77z-1; and (ii) approve Putnam's selection of the law firm of Scott+Scott LLP to serve as lead counsel pursuant to 15 U.S.C. §77z-1(a)(3)(B)(v).

DATED: April 2, 2010

Respectfully submitted,  
SCOTT+SCOTT LLP

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No. 2:10-CV-00302-MRP (MANx)

CERTIFICATE OF SERVICE

I hereby certify that on April 2, 2010 I caused the foregoing to be electronically filed with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the Electronic Mail Notice List, and I hereby certify that I caused the foregoing document or paper to be mailed via the United States Postal Service to the non-CM/ECF participants indicated on the Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on April 2, 2010.

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